

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01816A

S

Spanish Trail Water Company
4572 E. Camp Lowell Dr.
Tucson, AZ 85712

RECEIVED

APR 11 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-11-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name)		Spanish Trail Water Company	
Mailing Address		4572 E. Camp Lowell Drive	
(Street)			
Tucson	AZ	85712	
(City)	(State)	(Zip)	
(520) 577-2616	(520) 319-6560		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address		ddavis@camplowell.com	
Local Office Mailing Address		2200 E. River Road, Suite 115	
(Street)			
Tucson	AZ	85718	
(City)	(State)	(Zip)	
(520) 577-2616	(520) 299-5602		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address		ddavis@camplowell.com	

MANAGEMENT INFORMATION

Management Contact:				Diane Davis			
4572 E. Camp Lowell Drive		Tucson		AZ		85712	
(Street)		(City)		(State)		(Zip)	
(520) 577-2616		(520) 319-6560					
Telephone No. (Include Area Code)		Fax No. (Include Area Code)		Pager/Cell No. (Include Area Code)			
Email Address		ddavis@camplowell.com					
On Site Manager:		Chris Monson					
		(Name)					
4572 E. Camp Lowell Drive		Tucson		AZ		85712	
(Street)		(City)		(State)		(Zip)	
(520) 577-2616		(520) 319-6560					
Telephone No. (Include Area Code)		Fax No. (Include Area Code)		Pager/Cell No. (Include Area Code)			
Email Address							

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert Fortuno			
(Name)			
350 S. Williams Blvd. #150	Tucson	AZ	85711
(Street)	(City)	(State)	(Zip)
(520) 299-4610	(520) 844-6464		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: Michael McNulty			
(Name)			
1 S. Church Avenue, #700	Tucson	AZ	85701
(Street)	(City)	(State)	(Zip)
(520) 629-4453	(520) 879-4732		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input checked="" type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE		
<input type="checkbox"/> GILA	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> SANTA CRUZ	<input checked="" type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> STATEWIDE	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization Cost	3,394	1,615	1,779
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements	1,594	1,594	-
307	Wells and Springs	54,160	43,206	10,954
311	Electric Pumping Equipment	70,377	57,659	12,718
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	16,526	16,526	-
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	462,083	238,027	224,056
333	Services	23,532	15,395	8,137
334	Meters and Meter Installations	50,274	18,404	31,870
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	681,940	392,426	289,514


This amount goes on the Balance sheet Acct. No. 108



Company Name: Spanish Trail Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)*	Depreciation Expense (1x2)
301	Organization Cost	3,394	0.00%	
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements	1,594	5.00%	39
307	Wells and Springs	54,160	5.00%	2,708
311	Electric Pumping Equipment	70,377	5.00%	3,519
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	16,526	5.00%	402
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	462,083	5.00%	23,104
333	Services	23,532	5.00%	1,177
334	Meters and Meter Installations	50,274	5.00%	2,353
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Fixtures			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	681,940		33,302

This amount goes on Comparative Statement of Income and Expense Acct No. 403. 

* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 21,244	\$ 11,995
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	17,992	8,768
146	Notes/Receivables from Associated Companies	219,349	219,349
151	Plant Materials & Supply Inventory		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 258,585	\$ 240,112
	FIXED ASSETS		
101	Utility Plant in Service	\$ 675,516	\$ 681,940
103	Property Held for Future Use	12,000	12,000
105	Construction Work in Progress	236,271	236,271
108	Accumulated Depreciation - Utility Plant	(359,123)	(392,426)
121	Non-Utility Property		
122	Accumulated Depreciation - Utility Plant		
	TOTAL FIXED ASSETS	\$ 564,664	\$ 537,785
	TOTAL ASSETS	\$ 823,249	\$ 777,897

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ 84
232	Notes Payable (Current Portion)	\$ 100,000	\$ 185,000
234	Notes/Accounts Payable to Associated Companies	58,695	92,183
235	Meter Deposits	38,347	40,250
236	Accrued Taxes	5,014	4,971
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	4,826	5,373
	TOTAL CURRENT LIABILITIES	\$ 206,882	\$ 327,861
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	303,970	301,645
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 303,970	\$ 301,645
	TOTAL LIABILITIES	\$ 510,852	\$ 629,506
	CAPITAL ACCOUNTS		
201	Common Stock	\$ 1,000	\$ 1,000
211	Paid in Capital	3,615,222	3,615,222
215	Retained Earnings	(3,303,825)	(3,467,831)
218	Proprietary Capital (Sole Props. And Partnerships)		
	TOTAL CAPITAL	\$ 312,397	\$ 148,391
	TOTAL LIABILITIES AND CAPITAL	\$ 823,249	\$ 777,897

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Sales	\$ 140,345	\$ 149,509
460	Other Water Sales		
474	Other Water Revenues	-	
	TOTAL REVENUES	\$ 140,345	\$ 149,509
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water	28,367	33,488
615	Purchased Pumping Power	12,944	14,508
618	Chemicals		
620	Repairs and Maintenance	17,216	21,541
621	Office Supplies and Expense	26	-
630	Outside Services	47,672	101,886
635	Water Testing	3,025	3,235
641	Rents		
650	Transportation Expense		
657	Insurance - General Liability	963	5,797
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expenses	3,688	3,777
403	Depreciation Expense	33,228	33,302
408	Taxes other than Income	94,154	87,019
408.11	Property Tax	22,041	8,960
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 263,324	\$ 313,513
	OPERATING INCOME (LOSS)	\$ (122,979)	\$ (164,004)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME (EXPENSE)	\$ -	\$ -
	NET INCOME (LOSS)	\$ (122,979)	\$ (164,004)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$40,250

Meter Deposits Refunded During the Test Year \$5,547

COMPANY NAME Spanish Trail Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-622249	5	40		8		
55-622256	40	400		12		
55-536560	20	360		12		1993

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	2	27-ASA	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	1,000	1
		2,000	1
		3,000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC/AC	12,910
5		
6	AC	31,520
8		11,950
10		
12	C900PVC	6,200

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	364
3/4	16
1	11
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: N/A

STRUCTURES: N/A

OTHER: N/A

Company Name: Spanish Trail Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	374	3,611,330	3,788,000	0
FEBRUARY	374	3,530,100	3,767,000	0
MARCH	383	4,444,750	4,085,000	0
APRIL	383	6,222,230	4,758,000	0
MAY	384	5,522,330	6,449,000	0
JUNE	384	6,053,820	6,312,000	0
JULY	385	6,076,960	5,711,000	0
AUGUST	385	4,119,780	4,581,000	0
SEPTEMBER	390	4,229,550	4,983,000	0
OCTOBER	388	3,263,770	4,128,000	0
NOVEMBER	389	4,805,280	3,726,000	0
DECEMBER	396	3,013,880	3,506,000	0
TOTAL		54,893,780	55,794,000	0

What is the level of arsenic for each well on your system?

(If more than one well, list each separately)

Rocking K Well, <0.002 mg/l

York Well, <0.002 mg/l

Barn Well, <0.002 mg/l

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 2 hrs.

If system has chlorination treatment, does this treatment system chlorinate continuously?

☐ Yes

☒ No

Is the water utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have an ADWR Gallons Per Capita (GPCD) requirement?

☐ Yes

☒ No

If Yes, please provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

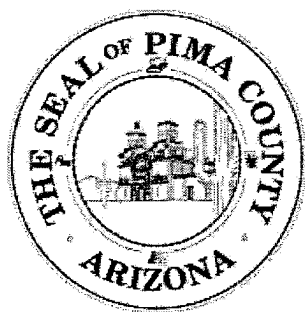
COMPANY NAME Spanish Trail Water Company YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$8,830.88

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____



Beth Ford

Pima County Treasurer

Parcel: 20572002B 8 Total Taxes: \$1,017.59 Tax Year: 2006 As of Date: 12/31/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$508.79
Date Paid:	10/31/2006	
Method:	CK	
Tax Paid:	\$508.80	\$0.00
Paid By:	01	
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

ROCKING K HOLDINGS LTD PARTNERSHIP
75% &
RINCON VALLEY HOLDINGS LTD PRTNRSHIP
25%
2200 E RIVER RD STE 115
TUCSON AZ 85718

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$508.79	\$508.79
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$508.79	\$508.79
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$508.79

Property Address:

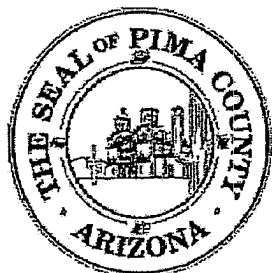
13381 E OLD SPANISH TR

Legal Description:

PT OF N440' W550' NE4 NE4 LYG NELY OF OLD
SPANISH TRAIL 3.59 AC SEC 21-15-16
(7661/1940 & 1987)

HISTORY TAX ROLL CHANGE

2005 \$943.11
2004 \$899.70
2003 \$508.52
2002 \$512.84
2001 \$516.52



Beth Ford Pima County Treasurer

Parcel: 20572002B 8 Total Taxes: \$943.11 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$471.55
Date Paid:	10/31/2005	
Method:	CK	
Tax Paid:	\$471.56	\$0.00
Paid By:	01	
Trans Type:	2	
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

ROCKING K HOLDINGS LTD PARTNERSHIP 75% &
RINCON VALLEY HOLDINGS LTD PRTNRSH 25%
2200 E RIVER RD STE 115
TUCSON AZ 85718

Property Address:

13381 E OLD SPANISH TR

TAX DUE SUMMARY

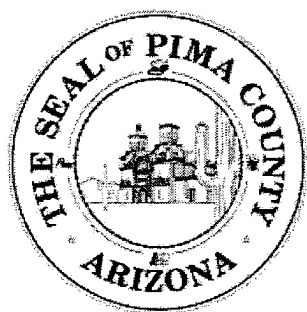
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$471.55	\$471.55
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$471.55	\$471.55
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$471.55

Legal Description:

PT OF N440' W550' NE4 NE4 LYG NELY OF OLD
SPANISH TRAIL 3.59 AC SEC 21-15-16
(7661/1940 & 1987)

HISTORY TAX ROLL CHANGE

2004 \$899.70
2003 \$508.52
2002 \$512.84
2001 \$516.52
2000 \$517.72



Beth Ford

Pima County Treasurer

Parcel: 949020000 4 Total Taxes: \$7,876.07 Tax Year: 2006 As of Date: 12/31/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$3,938.03
Date Paid:	10/31/2006	
Method:	CK	
Tax Paid:	\$3,938.04	\$0.00
Paid By:	01	
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DEBRA PARSONS
2200 E RIVER RD #115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

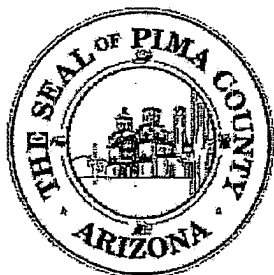
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$3,938.03	\$3,938.03
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$3,938.03	\$3,938.03
	NSF Fees		\$0.00
	Reclaimed Refunds		\$0.00
TOTAL AMOUNT DUE			\$3,938.03

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 490

HISTORY TAX ROLL CHANGE

2005 \$7,692.17
2004 \$10,955.51
2003 \$10,564.14
2002 \$0.00
2001 \$0.00



Beth Ford Pima County Treasurer

Parcel: 949020000 4 Total Taxes: \$7,692.17 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$3,846.08
Date Paid:	10/31/2005	
Method:	CK	
Tax Paid:	\$3,846.09	\$0.00
Paid By:	01	
Trans Type:	A	
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY

DIANE DAVIS/MANAGER

2200 E RIVER ROAD #115

TUCSON AZ

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$3,846.08	\$3,846.08
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$3,846.08	\$3,846.08
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$3,846.08

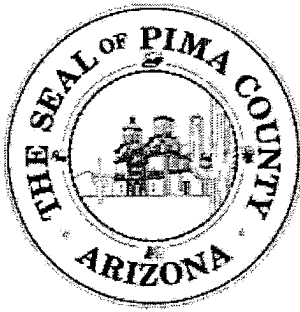
Legal Description:

TOTAL VALUE OF OPERATING PROPERTY

TAXPAYER GROUP NO 490

HISTORY TAX ROLL CHANGE

2004	\$10,955.51
2003	\$10,564.14
2002	\$0.00
2001	\$0.00
2000	\$0.00



Beth Ford

Pima County Treasurer

Parcel: 20586061A 1 Total Taxes: \$16.50 Tax Year: 2006 As of Date: 12/31/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	10/31/2006
Method:	CK	CK
Tax Paid:	\$16.50	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DEBRA PARSONS
2200 E RIVER RD #115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

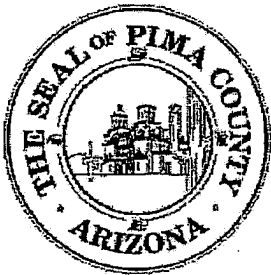
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

WELLSITE IN SW4 SE4 1.21 AC SEC 15-15-16
(CP 7734/970-977)
TOTAL VALUE OF OPERATING PROPERTY -
TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2005	\$17.58
2004	\$18.02
2003	\$18.48
2002	\$10,345.54
2001	\$7,256.14



Beth Ford Pima County Treasurer

Parcel: 20586061A 1 Total Taxes: \$17.58 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

First Half Second Half

Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$17.58	\$0.00
Paid By:	01	01
Trans Type:	2	2
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DR
TUCSON AZ 85712-1282

Property Address:

TAX DUE SUMMARY

First Half Second Half Total Year

Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

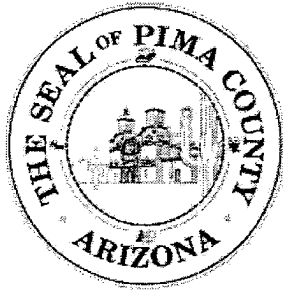
Legal Description:

WELLSITE IN SW4 SE4 1.21 AC SEC 15-15-16
(CP 7734/970-977)

TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2004	\$18.02
2003	\$18.48
2002	\$10,345.54
2001	\$7,256.14
2000	\$5,439.22



Beth Ford Pima County Treasurer

Parcel: 205820120 8 Total Taxes: \$19.74 Tax Year: 2006 As of Date: 12/31/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	10/31/2006
Method:	CK	CK
Tax Paid:	\$19.74	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DEBRA PARSONS
2200 E RIVER RD #115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

CASERIO VIEJO LOT 12 (WELL SITE)
TOTAL VALUE OF OPERATING PROPERTY -
TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2005 \$20.87
2004 \$21.31
2003 \$21.78
2002 \$21.90
2001 \$22.02



Beth Ford Pima County Treasurer

Parcel: 205820120 8 Total Taxes: \$20.87 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$20.87	\$0.00
Paid By:	01	01
Trans Type:	2	2
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DR
TUCSON AZ 85712-1282

Property Address:

TAX DUE SUMMARY

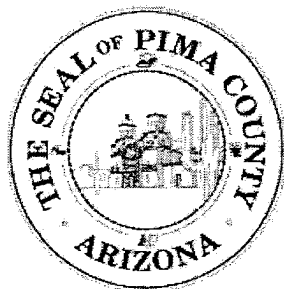
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

CASERIO VIEJO LOT 12 (WELL SITE)
TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2004 \$21.31
2003 \$21.78
2002 \$21.90
2001 \$22.02
2000 \$22.06



Beth Ford Pima County Treasurer

Parcel: 20581033B 4 Total Taxes: \$19.74 Tax Year: 2006 As of Date: 12/31/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	10/31/2006
Method:	CK	CK
Tax Paid:	\$19.74	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DEBRA PARSONS
2200 E RIVER RD #115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

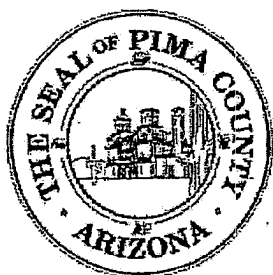
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

RANCHOS PEQUENOS WELLSITE IN LOT 20
(CP: D 7734 P 970-977 3/5/86)
TOTAL VALUE OF OPERATING PROPERTY -
TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2005 \$20.87
2004 \$21.31
2003 \$21.78
2002 \$21.90
2001 \$22.02



Beth Ford Pima County Treasurer

Parcel: 20581033B 4 Total Taxes: \$20.87 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$20.87	\$0.00
Paid By:	01	01
Trans Type:	2	2
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2002

Taxpayer Name/Address:

SPANISH TRAIL WATER COMPANY
ATTN: DIANE DAVIS/MANAGER
4572 E CAMP LOWELL DR
TUCSON AZ 85712-1282

Property Address:

TAX DUE SUMMARY

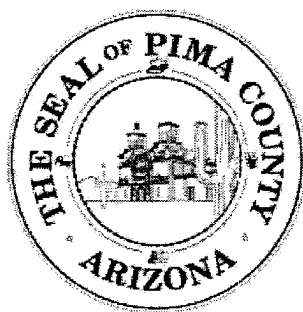
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

RANCHOS PEQUENOS WELLSITE IN LOT 20
(CP: D 7734 P 970-977 3/5/86)
TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 490

HISTORY TAX ROLL CHANGE

2004 \$21.31
2003 \$21.78
2002 \$21.90
2001 \$22.02
2000 \$22.06



Beth Ford

Pima County Treasurer

Parcel: 20564655F 7 Total Taxes: \$10.45 Tax Year: 2006 As of Date: 12/31/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	10/31/2006
Method:	CK	CK
Tax Paid:	\$10.45	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:
 SPANISH TRAIL WATER COMPANY
 ATTN: DEBRA PARSONS
 2200 E RIVER RD #115
 TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:
 SPANISH HILLS ABANDONMENT PLAT
 E235' S110' OF LOT 1 AS AMENDED BY
 11690/267

HISTORY TAX ROLL CHANGE

2005 \$10.24
 2004 \$9.83
 2003 \$0.00
 2002 \$0.00
 2001 \$0.00

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Pima	AZ CORP COMM Director Utilities
NAME (OWNER OR OFFICIAL) TITLE Chris Monson, President	
COMPANY NAME Spanish Trail Water Company	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

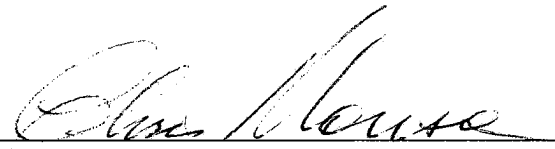
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

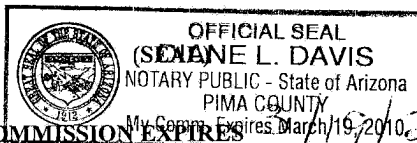

SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

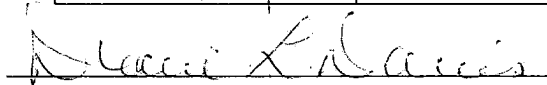
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF

COUNTY NAME <u>Pima</u>	
MONTH <u>May</u>	YEAR <u>2007</u>




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 3/19/2010

COMPANY NAME Spanish Trail Water Company

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>

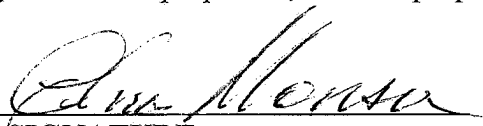
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u> </u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u> </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5/10/07
DATE

Chris Monson
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

<small>COUNTY OF (COUNTY NAME)</small> Pima	AZ CORP COMM
<small>NAME (OWNER OR OFFICIAL) TITLE</small> Chris Monson, President	Director Utilities
<small>COMPANY NAME</small> Spanish Trail Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 149,509

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 9,600
IN SALES TAXES BILLED, OR COLLECTED)

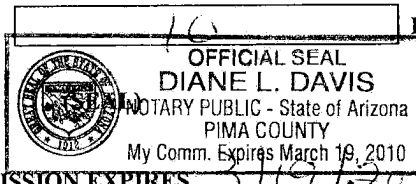
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES 3/19/2010

<small>COUNTY NAME</small> Pima	
<small>MONTH</small> May	2007


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima	
NAME (OWNER OR OFFICIAL)	Chris Monson	TITLE President
COMPANY NAME	Spanish Trail Water Company	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

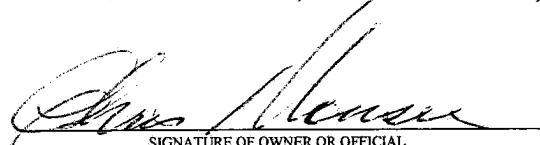
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 149,509

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 9,600
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

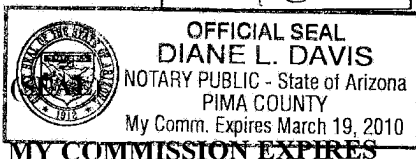
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10


DAY OF



MY COMMISSION EXPIRES

3/19/2010

NOTARY PUBLIC NAME Diane L. Davis	
COUNTY NAME Pima	
MONTH May	2007

X 
SIGNATURE OF NOTARY PUBLIC

SPANISH TRAIL WATER COMPANY

YEAR ENDED DECEMBER 31, 2006

SPANISH TRAIL WATER COMPANY
YEAR ENDED DECEMBER 31, 2006

CONTENTS

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Balance sheet	2
Statement of operations	3



BEACH, FLEISCHMAN & CO., P.C.
Certified Public Accountants/Financial & Business Advisors

Bruce D. Beach, CPA
Peter F. Beahan, CPA, ABV
Richard A. Bratt, CPA
David J. Cohen, CPA
Jo DeChatelet, CPA, CFP®
Kevin J. Donovan, CPA, EA, MSPA
Marc D. Fleischman, CPA, ABV

Robert G. Harbour, CPA, CVA
George Henderson, CPA
David M. Iaconis, CPA
Jimmy J. Lovelace, CPA
Karen K. McCloskey, CPA, MST
Cynthia A. Schroeder, CPA

Shareholders
Spanish Trail Water Company
Tucson, Arizona

We have compiled the balance sheet of Spanish Trail Water Company as of December 31, 2006, and the related statement of operations for the year then ended and accompanying information on pages 4 through 9, 13, and 15 through 17 of the annual Arizona Corporation Commission reports, included in the accompanying form prescribed by the Arizona Corporation Commission, Utilities Division, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from U.S. generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Beach, Fleischman & Co., P.C.

March 22, 2007

SPANISH TRAIL WATER COMPANY
BALANCE SHEET
DECEMBER 31, 2006
(See Accountants' Compilation Report)

Docket No. W-01816A

ASSETS

Property and equipment, net	\$ <u>537,785</u>
Current assets:	
Cash and cash equivalents	11,995
Accounts receivable	<u>228,117</u>
Total current assets	<u>240,112</u>
	<u><u>\$ 777,897</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Capitalization:	
Capital accounts	\$ 148,391
Deferred credit:	
Advances in aid of construction	301,645
Current liabilities	<u>327,861</u>
	<u><u>\$ 777,897</u></u>

SPANISH TRAIL WATER COMPANY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006
(See Accountants' Compilation Report)

Docket No. W-01816A

Metered water sales	\$ 149,509
Operating expenses	<u>313,513</u>
Operating income (loss)	<u>(164,004)</u>
Net income (loss)	<u><u>\$ (164,004)</u></u>